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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/821,418	04/09/2004	Patrick Aichroth	SCHO0175	1229
22862	7590	03/16/2009	EXAMINER	
GLENN PATENT GROUP			NIGH, JAMES D	
3475 EDISON WAY, SUITE L			ART UNIT	PAPER NUMBER
MENLO PARK, CA 94025			3685	
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			03/16/2009	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/821,418	AICHROTH ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	JAMES NIGH	3685	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 29 September 2008.
- 2a) This action is **FINAL**.                  2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) 13-18 is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-12 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) 13-18 are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | Paper No(s)/Mail Date. _____ .                                    |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>20 November 2008</u> . | 5) <input type="checkbox"/> Notice of Informal Patent Application |
|   | 6) <input type="checkbox"/> Other: _____ .                        |

## **DETAILED ACTION**

### ***Election/Restrictions***

The inventions are distinct, each from the other because of the following reasons:

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:
  - I. Claims 1-12, drawn to a method of providing a virtual product to third parties, classified in class 705, subclass 059.
  - II. Claim 13-18, drawn to method of passing on a virtual product, classified in class 713, subclass 154.
2. Newly submitted claims 13-18 directed to an invention that is independent or distinct from the invention originally claimed for the following reasons:
3. Inventions I and II are related as subcombinations disclosed as usable together in a single combination. Invention I has separate utility such as distribution of a virtual product while Invention II has separate utility such as providing personalized copies of a product. See MPEP § 806.05(d).

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 13-18 withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03. Applicant is respectfully requested to cancel the non-elected claims in response to this office action.

### ***Status of Claims***

4. This communication is in response to amendments and remarks filed on 29 September 2008. Claims 1 and 12 have been amended and newly added claims 13-18 have been restricted by original presentation. Claim 1-12 are currently pending and are presented for examination on the merits.

***Response to Amendment***

5. Examiner notes that claims 1 and 12 have been amended to modify the expression "may be created" to "is created". However this language is followed by "if the third party has acquired rights". Therefore the expression is still a conditional expression and it has been held that optional elements do not further limit claims "As matter of linguistic precision, optional claim elements do not narrow claim, since they can always be omitted; in present case, elements of dependent claim directed to large diameter spirally formed pipe, which recite "further including that said wall may be smooth, corrugated, or profiled with increased dimensional proportions as pipe size is increased," do not narrow scope of claim compared to claims lacking those elements, since elements are stated in permissive form "may." *In re Johnston*, 77 USPQ2d 1788 (CA FC 2006).

***Response to Arguments***

6. Applicant's argument that with regard to claim 1 has been fully considered but is not persuasive. Much of Applicant's argument appears to be directed to the utility of the information contained in lines 13-15, however this language is only introduced conditionally. No step of receiving a request for rights is disclosed, nor is there any step of determining if rights have been acquired. All of the information therefore is simply

non-functional descriptive material and therefore carries no patentable weight “Where the printed matter is not functionally related to the substrate, the printed matter will not distinguish the invention from the prior art in terms of patentability .... [T]he critical question is whether there exists any new and unobvious functional relationship between the printed matter and the substrate” *In re Gulack*, 217 USPQ 401 (Fed. Cir. 1983), *In re Ngai*, 70 USPQ2d (Fed. Cir. 2004), *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.01 II. Therefore in response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., additional information) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. **Claims 1-8 and 10-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ho et al, US PGPub 2005/0069129 (hereinafter referred to as Ho) and in view of Lee et al, US PGPub.2003/0078889 (hereinafter referred to as Lee).**

9. Regarding claims 1-4, 8, and 11-12, Ho discloses a method for providing a virtual product from a first party (media content published on the internet by a publishing entity [0007]) to another party (internet user of the product [0007]). This initially obtained version is reduced in quality (video appears in grayscale only [0007]), and contains information about a specific type of playback environment (video is encoded to include information about a specific player necessary for unlocking color scale [0012]). The video requires a password to unlock the color scale option, and this information is only available to users who have purchased usage rights (user requests password and rights [0012]), this information is then passed on to the user so that they may unlock the full features of the product (authorized user may enter password to view color scale [0012]). What is not disclosed by Ho is the step of information about the distributor being disclosed. The Lee publication discloses use of network file sharing communities to distribute media files for the publisher ([0033]). Many of these network file sharing services such as Napster, who obtain the legal rights to use the media they distribute (use of the Peer to Peer service Napster [0033]) contain their own media player. It would have been obvious to one of ordinary skill in the art at the time of the invention to for the information contained in the video which refers to player specifics to also refer to the distributor as many distributors have their own media services, and doing so would increase security by limiting authorized distributors of the media content.

10. Regarding claims 5-6, which refer to claim 2 as disclosed above and further recite the limitation of encrypting the product. Ho discloses the use of password

protection and digital watermarking where the user is given a password after securing rights to the product (user can unlock the video to view full color scale [0012]). The Lee publication discloses encrypting a digital media file prior to distribution throughout the network (figure 2), and the step of a user receiving a key to decrypt the file (user receives private key upon paying for usage rights [0034]). It would have been obvious to one of ordinary skill in the art to encrypt the media product prior to its distribution in order to ensure additional levels of security on top of those provided by the reduced version of the product.

11. Regarding claim 7 which refers to claim 1 as discussed above and further recites the step of including additional information in the product. Ho discusses the inclusion of digital watermark in the video content ([0008]) which constitutes additional information.

12. Regarding claim 10 which refers to claim 2 as discussed above and further recites the limitation of information which indicates that a product has been passed on from a distributor to a third party or yet again to a further third party. Ho discusses use of a password that must be requested by the user (user requests access [0012]) and Lee recites a user requesting a private key for decrypting a file ([0034]). As the distributor in this system already had rights to the product, anytime a new password or key is requested the publishing entity will be made aware of the newly acquired possession of the file and will thus have information provided accordingly.

13. **Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Ho and Lee as applied to claim 2 above, and further in view of Levchin et al, US Patent 7,089,208 (hereinafter referred to as Levchin).**

14. Regarding claim 9 which refers to claim 2 as discussed above and further recites the limitations of providing a reward to a distributor. This limitation is not discussed by Ho or Lee however Levchin recites the rewarding of a party based on soliciting the transaction of a third party (rewards based on introduction of new user to the system, column 11 lines 55-60). It would have been obvious to one of ordinary skill in the art at the time of the invention to offer rewards to distributors based on the distributor information provided in order to increase incentive for distributors to promote a publisher's media products.

Please note:

Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings of the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C: “Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]”; and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) (“As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.”).

### ***Conclusion***

15. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES NIGH whose telephone number is (571)270-5486. The examiner can normally be reached on Monday-Thursday 6:45-5:15.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin L. Hewitt II can be reached on 571-272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAMES NIGH/  
Examiner, Art Unit 3685

/Calvin L Hewitt II/  
Supervisory Patent Examiner, Art Unit 3685